

# SENATE RECORD VOTE ANALYSIS

104th Congress  
1st Session

**Vote No. 184**

May 24, 1995, 11:08 a.m.  
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## BUDGET RESOLUTION/Tax Increase for Education Spending

**SUBJECT:** Senate Concurrent Budget Resolution for fiscal years 1996-2002 . . . S. Con. Res. 13. Domenici motion to table the Dodd substitute amendment No. 1131 to the Snowe amendment No. 1128.

### ACTION: MOTION TO TABLE AGREED TO, 51-48

**SYNOPSIS:** As reported, S. Con. Res. 13, the fiscal year 1996 Concurrent Budget Resolution, will reduce projected spending over 7 years to balance the budget by fiscal year (FY) 2002 without increasing taxes. Savings that will accrue from lower debt service payments (an estimated \$170 billion) will be dedicated to a reserve fund, which may be used for tax reductions after enactment of laws to ensure a balanced budget. Highlights include the following: the rate of growth in Medicare will be slowed to 7.1 percent; Medicaid's rate of growth will be slowed to 5 percent and it will be transformed into a block grant program; the Commerce Department and more than 100 other Federal programs, agencies, and commissions will be eliminated; welfare and housing programs will be reformed; agriculture, energy, and transportation subsidies will be cut; foreign aid will be cut; defense spending will be cut and then allowed to increase back to its 1995 level; and Social Security will not be altered.

The Snowe amendment would increase revenues for function 500, which includes funding for education, by \$6.3 billion, and would decrease funding for other functions by a commensurate amount. The changes in the amendment would be made on the assumption that certain educational programs would receive an additional \$6.3 billion in funding, and spending on certain other discretionary programs would be reduced to pay for that additional funding. More specifically, the amendment would assume: the current exclusion for the value of a home or farm in the calculations to determine eligibility for student loans would be retained; the student loan originating fee would not be increased; and the 6-month grace period before beginning repayments after graduation would be continued. To pay for these assumptions (which the budget resolution does not make), the amendment would assume the following: a cancellation of the National Aeronautics and Space Administration's (NASA's) High-Speed Research Program for civilian jet transport; the cancellation of NASA's Advanced Subsonic Transport program, which will develop aircraft primarily for long-airflight traffic to the Pacific Rim; a reduction of the Executive Branch air carrier fleet by 150 planes to 1,350; and a reduction to \$100 million from the assumed \$300 million for Federal employee bonuses.

(See other side)

YEAS (51)		NAYS (48)			NOT VOTING (1)	
Republicans (51 or 96%)	Democrats (0 or 0%)	Republicans (2 or 4%)	Democrats (46 or 100%)		Republicans (1)	Democrats (0)
Abraham	Hutchison	Campbell	Akaka	Inouye	Bond- <sup>2</sup>  <b>EXPLANATION OF ABSENCE:</b> 1—Official Business 2—Necessarily Absent 3—Illness 4—Other  <b>SYMBOLS:</b> AY—Announced Yea AN—Announced Nay PY—Paired Yea PN—Paired Nay	
Ashcroft	Inhofe	Jeffords	Baucus	Johnston		
Bennett	Kassebaum		Biden	Kennedy		
Brown	Kempthorne		Bingaman	Kerrey		
Burns	Kyl		Boxer	Kerry		
Chafee	Lott		Bradley	Kohl		
Coats	Lugar		Breaux	Lautenberg		
Cochran	Mack		Bryan	Leahy		
Cohen	McCain		Bumpers	Levin		
Coverdell	McConnell		Byrd	Lieberman		
Craig	Murkowski		Conrad	Mikulski		
D'Amato	Nickles		Daschle	Moseley-Braun		
DeWine	Packwood		Dodd	Moynihan		
Dole	Pressler		Dorgan	Murray		
Domenici	Roth		Exon	Nunn		
Faircloth	Santorum		Feingold	Pell		
Frist	Shelby		Feinstein	Pryor		
Gorton	Simpson		Ford	Reid		
Gramm	Smith		Glenn	Robb		
Grams	Snowe		Graham	Rockefeller		
Grassley	Specter		Harkin	Sarbanes		
Gregg	Stevens		Heflin	Simon		
Hatch	Thomas		Hollings	Wellstone		
Hatfield	Thompson					
Helms	Thurmond					
	Warner					

**The Dodd second-degree substitute amendment** to the Snowe amendment would strike the provisions of the Snowe amendment and would insert in lieu thereof provisions to increase revenues by \$28 billion over 7 years and to increase outlays under function 500 (education, training, employment, and social services) by a commensurate amount. The statement of purpose for the amendment indicated that the revenue increases were to come from increased tax collections from closing tax "loopholes" and that the revenue gained would be spent on educational programs. Four tax provisions, the elimination of which would increase tax collections by \$65.7 billion over 7 years, were suggested during debate as possible areas from which revenue could be gained.

Debate on second-degree amendments to budget resolutions are limited to 1 hour. Debate was further limited by unanimous consent. Following debate, Senator Domenici moved to table the Dodd amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

NOTE: See vote No. 185 for related debate.

**Those favoring** the motion to table the Dodd amendment contended:

A spending gun is being held to our head. We are determined to protect certain assumptions in funding for current Federal educational programs, but we cannot get our Democratic colleagues who profess to share this goal to come forward with even \$6.3 billion in spending outside of defense that they would be willing to cut to meet it. Instead, they are demanding that we increase spending.

The truth is that we favor both the tax changes and the educational elements of the Dodd amendment; we simply oppose using the first to generate revenue for the second. The tax changes that have been suggested are certainly on our short list of tax code changes that should be made. However, those changes should not be made to increase total revenues. Those changes should be made as part of an overall effort to reform the tax code that will eliminate ill-considered tax breaks in order to make it possible to lower the tax burden on other Americans. We oppose "reforms" of the tax code that are merely smokescreens to raise more money for yet more Federal spending, even educational spending.

Senators, particularly Democrats, need to show a little backbone. Throughout the Balanced Budget Amendment debate, Democrat after Democrat confidently insisted that the Balanced Budget Amendment was not needed because Members had enough willpower to exercise spending restraint without it. In this debate, however, Democrats have shown that their idea of spending restraint is to complain about Republican cuts and to suggest one way after another to increase tax collections to permit greater spending. Proposals, such as the underlying Snowe amendment which would cut specific domestic discretionary spending programs in order to pay for more educational spending, are not to their liking. They only support proposals to increase taxes and increase spending. In the final analysis, the Dodd amendment is nothing more than yet another Democratic tax-and-spend amendment, and we will table it for that reason.

**Those opposing** the motion to table the Dodd amendment contended:

The Dodd amendment would increase spending on education by \$28 billion without increasing the deficit. The amendment is about priorities. It picks four tax provisions which were identified by House Republicans as tax loopholes that should be scrapped. Those loopholes are as follows: the expatriate tax loophole; the law which shields foreign source income of U.S. firms from U.S. taxes; the law which permits U.S. exporters to exempt a portion of their export income from U.S. taxes; and the inventory property sales source rule exemption, which increases the amount of export income that can be shielded from taxes. According to the House Budget Committee, closing these loopholes would result in increased tax collections of \$2.1 billion, \$26.3 billion, \$10.9 billion, and \$26.4 billion respectively. The amendment does not call for doing away with all four loopholes; instead, it suggests to the Finance Committee that it collect an additional \$28 billion from these four sources.

Last Congress was hailed as the education Congress. We passed legislation lowering student loan costs, a Head Start full funding bill, the Goals 2000 bill, and other similar bills. This budget will cancel all that progress. None of those bills will do much good if the Federal Government does not back them up with the needed funds. We do not need to be forced into a choice between educating our children or balancing the budget. Both are possible; all we need to do is set proper priorities.

The Dodd amendment would restore a substantial portion of the cuts in education that this resolution will make in education programs, and it would pay for that restoration by cutting tax loopholes for exporters, income earned overseas, and the expatriate tax loophole. The Dodd amendment asks a simple question: whose side are Members on, corporate America's or our children's? We side with our children, and thus support the Dodd amendment.